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SERVICE DATE – JUNE 5, 2015

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[Docket No. FD 35932]

Lubbock and Western Railway, L.L.C.—Acquisition and Operation Exemption—West Texas and Lubbock Railway Company, Inc., and West Texas and Lubbock Railroad Company, Inc.

Lubbock and Western Railway, L.L.C. (LWR), a wholly owned noncarrier subsidiary of Watco Holdings, Inc., has filed a verified notice of exemption under 49 C.F.R. § 1150.31 to acquire and operate approximately 9.5 miles of rail line and to lease approximately 134.75 miles of rail line from West Texas and Lubbock Railway Company, Inc., and West Texas and Lubbock Railroad Company, Inc. (WTLR). The lines being acquired and operated are located between: (1)(a) mileposts 330.10 and 331.10 at Plainview, Tex., and (b) mileposts 367.250 and 368.250, at Dimmitt, Tex., on the Dimmit Sub; (2)(a) mileposts 0.0 and 1.0 at Doud, Tex., and (b) mileposts 12.10 and 13.10 at Broadview, Tex., on the Broadview Sub; (3)(a) mileposts 6.0 and 8.5 at Doud, and (b) mileposts 62.90 and 63.90, at Seagraves, Tex., on the Seagraves Sub; and (4)(a) mileposts 4.70 and 5.70 at Whiteface Junction, and (b) mileposts 38.80 and 39.80 at Whiteface, Tex., on the Whiteface Sub. The lines being leased are located between: (1) mileposts 331.10 and 367.25 on the Dimmit Sub, (2) mileposts 1.0 and 12.10 on the Broadview Sub, (3) mileposts 8.50 and 62.90, on the Seagraves Sub, and (4) mileposts

5.70 and 38.80, on the Whiteface Sub. In addition, LWR will also acquire by assignment approximately 5 miles of trackage rights that WTLR currently has over BNSF Railway Company's line between milepost 88.6 at Canyon Jct., Tex., and milepost 83.6 at Broadview.

This transaction is related to a concurrently filed verified notice of exemption in Watco Holdings, Inc.—Continuance in Control Exemption—Lubbock & Western Railway, Docket No. FD 35933, wherein Watco Holdings, Inc., seeks Board approval to continue in control of LWR, upon LWR's becoming a Class III rail carrier.

The parties intend to consummate the transaction after the effective date of the verified notice of exemption.

LWR certifies that its projected annual revenues as a result of this transaction will not result in the creation of a Class II or Class I rail carrier. Because LWR's projected annual revenues will exceed \$5 million, LWR certified to the Board on May 19, 2015, that it had complied with the requirements of 49 C.F.R. § 1150.32(e) on May 18, 2015, by providing notice to employees of WTLR on the affected lines.<sup>1</sup> Under 49 C.F.R. § 1150.32(e), this exemption cannot become effective until 60 days after the date notice was provided, which would be July 18, 2015.

LWR states that the agreement with WTLR does not contain any provision that prohibits it from interchanging traffic with a third party or limits its ability to interchange with a third party.

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<sup>1</sup> In its May 19 letter to the Board, LWR stated that there are no union employees at WTLR.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. § 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than July 10, 2015 (at least 7 days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 35932, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Karl Morell, 655 Fifteenth Street, N.W., Suite 225, Washington, DC 20005.

Board decisions and notices are available on our website at “[WWW.STB.DOT.GOV](http://WWW.STB.DOT.GOV).”

Decided: June 2, 2015.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.